

W. J. B.
2/15/61

MOB-A-7775.

SECRET

Chief, Foreign Division M

15 January 1951

Acting Chief of Station, Karlsruhe

Please Handle on Priority Basis

Operational

CAISSON 19

Ref- MGBA-4998; MGBA-4573

1. Subject has been in touch with us for roughly one and one-half years, during which time he recruited on our behalf [] and more recently CADUCITY and attempted to recruit on our behalf a number of other people as you can tell from the [] operational correspondence. He is at present employed in trying to recruit one of the head men of the Haselgruber complex in Berlin and has been very useful in picking up leads in the general industrial trade field. He has provided many services which were never reported to Washington, and up to this date he has never received any pay from us, the only payments to him up to this date having been repayment of expenses incurred while operating for us.

2. In line with the general security measures we consider necessary after the [] incident, we have urged Subject to leave Berlin and to start a new existence in Western Germany. In recent weeks another approach has been made to Subject, which we believe is Russian inspired, and which proves to us that the Russians have not forgotten him for his part in the [] operation.

3. Subject has nearly eaten up his savings and has not been able to do much business in Berlin since the [] case because he can no longer afford to go into the Soviet Sector to contact his different business contacts in the East-West trade.

4. We have suggested to Subject that he go West and attempt to get placed with a trading firm in the steel and allied fields that concerns itself with East-West trade (a) in order to make a living, and (b) in order to be of some profit to us. Subject is willing to do this, but no doubt will need some time to find the right type of job opening and could be of use to us during that period in the collection of miscellaneous intelligence and leads in this field and also on specific intelligence checking jobs.

5. Since Subject never received any remuneration for his efforts for us and since we believe Subject to be well suited as a long-range agent in

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the illegal trade field, having proven himself to be thoroughly loyal and extremely resourceful, we would like to sponsor Subject for twelve months, during which period he will travel in Western Germany to find himself a job and at the same time be available to us for any jobs we would like to assign to him. In order to make this possible for him and to prevent his being forced to take the first offer that comes his way, we would like to guarantee him 1,000 marks a month for twelve months, during which time he will resettle himself in Western Germany. Although this sum might seem excessive to you, we believe it is a just settlement for his efforts on our behalf and also for the loss he has incurred due to the [] and [] complex. Since we would like to get started on this operation, request that you cable your reaction.

[]

ASM:cvg

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